

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

IN RE:)	CHAPTER 7
)	
SOUTHSTAR FUNDING, LLC,)	CASE NO. 07-65842-pwb
)	
Debtor.)	
_____)	

**MOTION FOR ORDER APPROVING
SALE OF JUDGMENTS AND SIMILAR PROPERTY**

COMES NOW Harry W. Pettigrew, in his office and capacity as trustee (“**Trustee**”) in the above-captioned case of SouthStar Funding, LLC (the “**Debtor**”), and, by and through the undersigned counsel, files this “Motion for Order Approving Sale of Judgments and Similar Property” (the “**Motion**”). In support of his Motion, Trustee shows the Court as follows:

Jurisdiction

1. This Court has jurisdiction to hear this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This Motion presents a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The predicates for the relief sought herein are Section 105(a) and Section 363 of Title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 6004 of the Federal Rules of Bankruptcy Procedure (“**Bankruptcy Rules**”).

Background

2. On April 11, 2007 (the “**Petition Date**”), the Debtor filed its voluntary petition for relief under Chapter 7 of the Bankruptcy Code.

3. Harry W. Pettigrew was appointed as Chapter 7 trustee in the Debtor's case and continues to serve in such capacity.

4. Debtor was headquartered in Atlanta, Georgia, and offered wholesale financing for the residential, non-conforming mortgage market.

5. Debtor ceased operations and closed its offices prior to the Petition Date.

6. Some of Debtor's operations were physically located at leased locations in Georgia, Florida, Louisiana, South Carolina, Ohio, Alabama, California, Virginia, Tennessee, Texas, Minnesota, New Jersey, Michigan, Missouri, Illinois, Colorado, Connecticut, Rhode Island, and North Carolina. Debtor's headquarters office was located at leased space at 400 Northridge Road, Suite 1000, Atlanta, Georgia 30350.

7. In its business, Debtor sold mortgage loans to investors and sold real estate that Debtor had acquired through foreclosure of mortgage loans owned by the Debtor.

8. In the normal course of its business, Debtor pursued various items of litigation and in some instances obtained judgments. Trustee has obtained judgments and filed proofs of claim in the course of administration of the estate.

9. Trustee filed on January 29, 2010 his Motion for Order Approving (1) Sale by Auction of Judgments and Similar Property; and (2) Procedures for Sale by Auction. Trustee has noticed that Motion for Hearing on February 23, 2010. Among other things, the Trustee has sought approval of certain procedures and authorization to conduct an auction on March 8, 2010.

Relief Requested

10. At the hearing being noticed for March 9, 2010, Trustee requests that the Court receive the results of the auction and approve sale of the Claims (as that term is defined in the Motion filed on January 29, 2010), or grant other appropriate relief.

Notice

11. Pursuant to the Court's Order entered June 28, 2007 (Docket No. 91), Trustee will serve this Motion and a notice of hearing regarding this Motion on: (i) the Office of the United States Trustee for the Northern District of Georgia; (ii) any entity who has formally appeared and requested service in this case pursuant to Bankruptcy Rule 2002; (iii) the creditors listed on Debtor's schedule D; (iv) those persons Trustee has identified as having a potential interest in bidding; (v) counsel for Debtor; and (vi) such others persons or entities as the Court may direct. Trustee shows that such notice is proper and sufficient.

WHEREFORE, the Trustee respectfully requests that the Court grant the relief requested herein, and such other and additional relief as is just and proper.

Respectfully submitted this 29th day of January, 2010.

LAMBERTH, CIFELLI, STOKES,
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CERTIFICATE OF SERVICE

The undersigned certifies that on the date set forth below, **MOTION FOR ORDER APPROVING SALE OF JUDGMENTS AND SIMILAR PROPERTY** was served by first class U.S. Mail, postage prepaid, or by electronic mail, if applicable, to the following:

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This 29th day of January, 2010.

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